



**General Accident
Insurance**

436 Walnut Street
Philadelphia, PA 19106-1109

**CPP 1211477-00
Common Policy
Declarations**

Policy No. CPP 1211477-00

Issued by: Potomac Insurance

Named Insured and Mailing Address(No., Street, Township, County, Town or City, State, Zip Code)

Company of Illinois

Wellington Homes, LLC et al

See G-5353

NEW

1601 Concord Pike Suite 27

New Castle Co.

Renewal of Number

Wilmington, DE 19803

Policy Period: From 10/11/1998 to 10/11/1999 at 12:01 A.M., Standard Time at your mailing address shown above.

Form of Business: Ltd Liability Corp.

Business Description: Residential Home Builder

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Commercial Property Coverage Part	\$4,993.00
Commercial General Liability Coverage Part	\$16,976.00
Commercial Inland Marine Coverage Part	\$563.00

Audit Period: Annual

TOTAL \$22,532.00

Premium shown is payable:\$

at inception;\$

1st Anniversary;\$

2nd Anniversary

Countersigned: 10/28/1998

By

Authorized Representative

427867

J. A. Montgomery Insurance
1011 Centre Road
P.O. Box 470
Wilmington, DE 19899

AGENT

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

IL 00 19 (11-85)

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Branch Office: Harrisburg Branch Office

FILED
MAY 03 1999

FILED

MAY 03 1999

GOLD

SCHEDULE OF FORMS AND ENDORSEMENTS

Policy Number CPP 1211477-00

Named Insured: Wellington Homes, LLC et al

Forms and endorsements made part of this policy at the time of issue:

✓ IL 00 19	11-85
IL 00 17	11-85
IL 00 21	11-94
IL 02 37	8-88
G-5112	9-90
✓ CF 150	11-85
CP 00 10	6-95
CP 00 30	6-95
CP 00 90	7-88
CP 02 99	11-85
CP 10 30	6-95
CP 12 70	9-96
✓ CL 150	11-85
CG 00 01	1-96
✓ CG 00 55	3-97
✓ CG 21 47	10-93
✓ CG 21 49	1-96
CG 25 03	3-97
L-2661	1-83
L-2861	11-88
L-2926	7-91
L-2954	8-92
CI 150	11-85
CM 00 01	6-95
P-0042	1-87
P-0055	12-93
P-0059	8-97
P-0076	8-87
P-0078	1-87

G-5353 (02-92) ?

Potomac Insurance
Company of Illinois

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY ENDORSEMENT FORM

Endorsement
Number 0

POLICY NUMBER CPP 1211477-00	ENDORSEMENT EFFECTIVE* 10/11/1998	COMPANY Potomac Insurance Company of Illinois
NAMED INSURED Wellington Homes, LLC et al See G-5353 1601 Concord Pike Suite 27 New Castle Co. Wilmington, DE 19803		AUTHORIZED REPRESENTATIVE J. A. Montgomery Insurance 427867 1011 Centre Road P.O. Box 470 Wilmington, DE 19899
COVERAGE PARTS AFFECTED ALL		
<p>This endorsement is subject to all the agreements, conditions and exclusions of the policy. The policy is amended as indicated below.</p> <p>Named Insured:</p> <p>Wellington Homes, LLC; Wellington Homes, Inc.; Joal Enterprises, Inc.; Vietri Realty, Inc.; Vietri Management, Inc.; Hodev, Inc.; 397 Properties, L.L.C.; Bear Cap Ventures, L.L.C.; Bear Cap Ltd.; Bohemia Hall, Inc.; Fox Run, Inc.; Boothhurst Enterprises, L.L.C.; Wilmington Hospitality, L.L.C.</p>		

*Unless otherwise stated effective from 12:01am Standard Time at your mailing address

Date and Place of Issue:

10/28/1998 CAMP HILL

Authorized Representative Signature

G-5353 (02-92)

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Potomac Insurance
Company of Illinois

**COMMERCIAL PROPERTY
COVERAGE PART DECLARATIONS**

EFFECTIVE DATE: 10/11/1998

12:01 A.M., Standard Time

POLICY NO. CPP 1211477-00

☒ Supplemental Declarations is attached.

BUSINESS DESCRIPTION

Residential Home Builder

DESCRIPTION OF PREMISES

PREM. NO.	BLDG. NO.	LOCATION, CONSTRUCTION AND OCCUPANCY
1	1	1601 Concord Pike Suite 27, Wilmington, New Castle Co., DE 19803 (Frame), Office & Storage
10	1	1442 Bohemia Mill Rd., Middletown, New Castle Co., DE 19709 (Joisted Masonry), Maids Dwelling

COVERAGES PROVIDED— INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN.

PREM. NO.	BLDG. NO.	COVERAGE	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINSURANCE+
1	1	Improvements & Betterments	\$100,000	Special Form	80%
1	1	Personal Property	\$275,000	Special Form	80%
1	1	Business Income	\$200,000	Special Form	80%
10	1	Building	\$120,000	Special Form	80%

OPTIONAL COVERAGES— APPLICABLE ONLY WHEN ENTRIES ARE MADE IN THE SCHEDULE BELOW.

++IF EXTRA EXPENSE COVERAGE,
LIMITS ON LOSS PAYMENT

PREM. NO.	BLDG. NO.	EXPIRATION DATE	COVERAGE	AMOUNT	REPLACEMENT COST (X)		
					BUILDING	PERSONAL PROPERTY	INCLUDING "STOCK"
1	1				X		
1	1					X	
10	1				X		

PREM. NO.	BLDG. NO.	INFLATION GUARD (Percentage)		++MONTHLY LIMIT OF INDEMNITY (Fraction)	++MAXIMUM PERIOD OF INDEMNITY (X)	++EXTENDED PERIOD OF INDEMNITY (Days)
		BUILDING	PERSONAL PROPERTY			

MORTGAGE HOLDER(S)

++APPLIES TO BUSINESS INCOME ONLY

PREM. NO.	BLDG. NO.	MORTGAGE HOLDER NAME AND MAILING ADDRESS

DEDUCTIBLE

\$250. EXCEPTIONS: Prem. 1 Bldg. 1 - \$500
Prem. 10 Bldg. 1 - \$1,000

FORMS AND ENDORSEMENTS

FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE:

See Schedule of Forms and Endorsements, 079, attached.

PREMIUM

Premium Subtotal for this Page \$1,723.00

AGENT

Page 1 of 2

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

CF 150 (11-85)

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COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS

COMMERCIAL PROPERTY

POLICY NO. CPP 1211477-00

DESCRIPTION OF PREMISES

PREM. NO.	BLDG. NO.	LOCATION, CONSTRUCTION AND OCCUPANCY
10	2	1442 Bohemia Mill Rd., Middletown, New Castle Co., DE 19709 (Joisted Masonry), Main Dwelling
10	3	1442 Bohemia Mill Rd., Middletown, New Castle Co., DE 19709 (Joisted Masonry), Garage
10	4	1442 Bohemia Mill Rd., Middletown, New Castle Co. DE 19709 (Frame), Horse Barn

COVERAGES PROVIDED

PREM. NO.	BLDG. NO.	COVERAGE	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINSURANCE+
10	2	Building	\$823,000	Special Form	80%
10	3	Building	\$150,000	Special Form	80%
10	4	Building	\$305,000	Special Form	80%

OPTIONAL COVERAGES

+IF EXTRA EXPENSE COVERAGE, LIMITS ON LOSS PAYMENT

PREM. NO.	BLDG. NO.	EXPIRATION DATE	AGREED VALUE		AMOUNT	REPLACEMENT COST (X)		
			COVERAGE			BUILDING	PERSONAL PROPERTY	INCLUDING "STOCK"
10	2					X		
10	3					X		
10	4					X		

PREM. NO.	BLDG. NO.	INFLATION GUARD (Percentage)		++MONTHLY LIMIT OF INDEMNITY (Fraction)	++MAXIMUM PERIOD OF INDEMNITY (X)	++EXTENDED PERIOD OF INDEMNITY (Days)
		BUILDING	PERSONAL PROPERTY			

MORTGAGE HOLDER(S)

++APPLIES TO BUSINESS INCOME ONLY

PREM. NO.	BLDG. NO.	MORTGAGE HOLDER NAME AND MAILING ADDRESS

DEDUCTIBLE

\$250. EXCEPTIONS: Prem. 10 Bldg. 2 - \$1,000
 Prem. 10 Bldg. 3 - \$1,000
 Prem. 10 Bldg. 4 - \$1,000

PREMIUM

Premium Subtotal for this Page \$3,270.00
 Premium for this Coverage Part \$4,993.00

Potomac Insurance
Company of Illinois

**COMMERCIAL GENERAL LIABILITY
COVERAGE PART DECLARATIONS**

Policy No. CPP 1211477-00

Effective Date: 10/11/1998

12:01 A.M., Standard Time

LIMITS OF INSURANCE						
General Aggregate Limit (Other Than Products-Completed Operations)		\$	2,000,000			
Products-Completed Operations Aggregate Limit		\$	2,000,000			
Personal and Advertising Injury Limit		\$	1,000,000			
Each Occurrence Limit		\$	1,000,000			
Fire Damage Limit		\$	50,000		Any One Fire	
Medical Expense Limit		\$	5,000		Any One Person	

BUSINESS DESCRIPTION AND LOCATION OF PREMISES						
Form of Business: Ltd Liability Corp.						
Business Description: Residential Home Builder						
Location of All Premises You Own, Rent or Occupy: 1 1601 Concord Pike, Suite 27, Wilmington, New Castle Co., DE 19803						

PREMIUM						
Location/Classification	Code No.	Premium Basis* (per 1000 or unit)	Rate		Advance Premium	
			Premises/ Operations	Products/ Completed Operations	Premises/ Operations	Products/ Completed Operations
*The Premium Basis and Rates are for an annual period while the Advance Premium applies to the entire term of the policy.						
LOC 1 Carpentry - construction of residential property not exceeding three stories in height TERR-001	91340	175,000 Payroll	11.551	7.819	\$2,021.00	\$1,368.00
Contractors - subcontracted work - in connection with building construction, reconstruction, repair or erection - one or two family dwellings TERR-001	91583	2,500,000 Total Cost	1.340	3.393	\$3,350.00	\$8,483.00
Subtotal					\$5,371.00	\$9,851.00

FORMS AND ENDORSEMENTS	
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue: See Schedule of Forms and Endorsements, 079, attached.	

AGENT

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THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

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**COMMERCIAL GENERAL LIABILITY
EXTENSION OF DECLARATIONS**

Policy Number CPP 1211477-00

LOCATION OF PREMISES

Location of All Premises You Own, Rent or Occupy:

1 1601 Concord Pike, Suite 27, Wilmington, New Castle Co., DE 19803

PREMIUM

Location/Classification	Code No.	Premium Basis* (per 1000 or unit)	Rate		Advance Premium	
			Premises/ Operations	Products/ Completed Operations	Premises/ Operations	Products/ Completed Operations
*The Premium Basis and Rates are for an annual period while the Advance Premium applies to the entire term of the policy.						
LOC 2 Real Estate Development Property (Including Products and/or Completed Operations. Products-Completed Operations are subject to the General Aggregate Limit.) See Section V, Definitions TERR-001	47051	2 Acres/Acreage	29.452		\$59.00	
Vacant Land - Other than Not-For-Profit (Including Products and/or Completed Operations. Products-Completed Operations are subject to the General Aggregate Limit.) See Section V, Definitions TERR-001	49451	10 Acres/Acreage	2.474		\$25.00	
LOC 1 Employee Benefits TERR-001	9803	Employees	0.131		\$548.00	
Subtotal					\$632.00	

**COMMERCIAL GENERAL LIABILITY
EXTENSION OF DECLARATIONS**

Policy Number CPP 1211477-00

LOCATION OF PREMISES

Location of All Premises You Own, Rent or Occupy:
2 Valley Point, Hockessin, New Castle Co., DE 19707

PREMIUM

Location/Classification	Code No.	Premium Basis* (per, 1000 or unit)	Rate		Advance Premium	
			Premises/ Operations	Products/ Completed Operations	Premises/ Operations	Products/ Completed Operations
*The Premium Basis and Rates are for an annual period while the Advance Premium applies to the entire term of the policy.						
LOC 2						
Model Homes (Including Products and/or Completed Operations. Products-Completed Operations are subject to the General Aggregate Limit.) See Section V, Definitions TERR-001	46362	4 Each	264.406		\$1,058.00	
Real Estate Development Property (Including Products and/or Completed Operations. Products-Completed Operations are subject to the General Aggregate Limit.) See Section V, Definitions TERR-001	47051	2 Acres/Acreage	29.452		\$59.00	
Subtotal					\$1,117.00	

**COMMERCIAL GENERAL LIABILITY
EXTENSION OF DECLARATIONS**

Policy Number CPP 1211477-00

LOCATION OF PREMISES						
Location of All Premises You Own, Rent or Occupy: 2 Valley Point, Hockessin, New Castle Co., DE 19707 10 1442 Bohemia Mill Rd., Middletown, New Castle Co., DE 19709						
PREMIUM						
Location/Classification	Code No.	Premium Basis* (per 1000 or unit)	Premises/ Operations	Rate Products/ Completed Operations	Advance Premium Premises/ Operations	Products/ Completed Operations
*The Premium Basis and Rates are for an annual period while the Advance Premium applies to the entire term of the policy.						
LOC 2 Vacant Land - Other than Not-For-Profit (Including Products and/or Completed Operations. Products-Completed Operations are subject to the General Aggregate Limit.) See Section V, Definitions TERR-001	49451	10 Acres/Acreage	2.474		\$25.00	
LOC 10 Dwellings - one-family (lessor's risk only) (Including Products and/or Completed Operations. Products-Completed Operations are subject to the General Aggregate Limit.) See Section V, Definitions TERR-001	63010	1 Each	63.875		\$64.00	
Subtotal					\$89.00	
Total					\$7,209.00	\$9,851.00
Total Advance Premium					\$16,976.00	

COMMERCIAL GENERAL LIABILITY
CG 00 01 01 96**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (SECTION V).

SECTION I - COVERAGES**COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY****1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers Compensation and Similar Laws

Any obligation of the insured under a workers compensation, disability benefits, or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:
 - (i) If the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
 - (ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

Subparagraph (d)(i) does not apply to "bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.

Subparagraphs (a) and (d)(i) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

g. Aircraft, Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Damage to Property

"Property damage" to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage to Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage to Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (Section III).

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal injury" or "advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

b. This insurance applies to:

- (1) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
- (2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;

but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. "Personal injury" or "advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;

(2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;

(3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured;

(4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;

(5) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.

b. "Advertising injury" arising out of:

(1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;

(2) The failure of goods, products or services to conform with advertised quality or performance;

(3) The wrong description of the price of goods, products or services; or

(4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

c. Any loss, cost or expense arising out of any:

(1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations; provided that:

(1) The accident takes place in the "coverage territory" and during the policy period;

(2) The expenses are incurred and reported to us within one year of the date of the accident; and

(3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. To any insured.

b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. To a person injured on that part of premises you own or rent that the person normally occupies.

d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers compensation or disability benefits law or a similar law.

e. To a person injured while taking part in athletics.

f. Included within the "products-completed operations hazard".

g. Excluded under Coverage A.

h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1. All expenses we incur.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
5. All costs taxed against the insured in the "suit".
6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 2.b.(2) of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages), such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in paragraph f. above, are no longer met.

SECTION II - WHO IS AN INSURED**1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

(1) "Bodily injury" or "personal injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and

- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

- 3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you, or the employer of any person who is an insured under this provision.

- 4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to 5. above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or
- (3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Coverage A (Section 1).

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each Insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

- 1. "Advertising injury" means injury arising out of one or more of the following offenses:

- a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- b. Oral or written publication of material that violates a person's right of privacy;
- c. Misappropriation of advertising ideas or style of doing business; or
- d. Infringement of copyright, title or slogan.

- 2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

- 3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

- 4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
- c. All parts of the world if:

- (1) The injury or damage arises out of:

- (a) Goods or products made or sold by you in the territory described in a. above; or

(b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and

(2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
- b. Your fulfilling the terms of the contract or agreement.

8. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business. (Including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

10. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or auto;

b. While it is in or on an aircraft, watercraft or "auto", or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

11. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

13. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;

d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or

e. Oral or written publication of material that violates a person's right of privacy.

14. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

15. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

16. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

17. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

18. "Your product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

19. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- b. The providing of or failure to provide warnings or instructions.

COMMERCIAL GENERAL LIABILITY
CG 00 55 03 97

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF OTHER INSURANCE CONDITION
(OCCURRENCE VERSION)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART (OCCURRENCE VERSION)

Paragraph 4.b. of the Other Insurance Condition – (Section IV – Commercial General Liability Conditions) is replaced by the following:

4. Other Insurance

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or
 - (c) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of COVERAGE A (SECTION I).
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under COVERAGES A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

COMMERCIAL GENERAL LIABILITY
CG 21 47 10 93

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages):

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

- B. The following exclusion is added to paragraph 2., Exclusions of COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY (Section I - Coverages):

This insurance does not apply to:

"Personal injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

COMMERCIAL GENERAL LIABILITY
CG 21 49 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages) is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or

- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

Potomac Insurance
Company of Illinois

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY ENDORSEMENT FORM

Endorsement
Number 1

POLICY NUMBER CPP 1211477-00	ENDORSEMENT EFFECTIVE* 10/11/1998	COMPANY Potomac Insurance Company of Illinois
NAMED INSURED Wellington Homes, LLC et al See G-5353 1601 Concord Pike Suite 27 New Castle Co. Wilmington, DE 19803		AUTHORIZED REPRESENTATIVE J. A. Montgomery Insurance 427867 1011 Centre Road P.O. Box 470 Wilmington, DE 19899
COVERAGE PARTS AFFECTED Commercial General Liability		
<p>This endorsement is subject to all the agreements, conditions and exclusions of the policy. The policy is amended as indicated below.</p> <p>In consideration of an additional premium of \$618.00, it is agreed that the policy is amended as follows:</p> <p>Location #5 - Boothhurst, New Castle, DE and Location #6 - Chapman Woods, Newark, DE are added to the policy. See revised CL 150 attached.</p> <p>Pro-rata factor = 1.000. Revised annual premium is \$23,150.00.</p> <p style="text-align: right;">\$ 23,205^{55 fee}</p>		

*Unless otherwise stated effective from 12:01am Standard Time at your mailing address

Date and Place of Issue:
12/16/1998 CAMP HILL

FILED
MAY 03 1999

Authorized Representative Signature

G-5353 (02-92)

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Page 1 of 1

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AGENT

Potomac Insurance
Company of Illinois

**COMMERCIAL GENERAL LIABILITY
COVERAGE PART DECLARATIONS**

Policy No. CPP 1211477-00

Effective Date: 10/11/1998

12:01 A.M., Standard Time

LIMITS OF INSURANCE							
General Aggregate Limit (Other Than Products-Completed Operations)		\$	2,000,000				
Products-Completed Operations Aggregate Limit		\$	2,000,000				
Personal and Advertising Injury Limit		\$	1,000,000				
Each Occurrence Limit		\$	1,000,000				
Fire Damage Limit		\$	50,000		Any One Fire		
Medical Expense Limit		\$	5,000		Any One Person		
BUSINESS DESCRIPTION AND LOCATION OF PREMISES							
Form of Business: Ltd Liability Corp.							
Business Description: Residential Home Builder							
Location of All Premises You Own, Rent or Occupy: 1 1601 Concord Pike, Suite 27, Wilmington, New Castle Co., DE 19803							
PREMIUM							
Location/Classification	Code No.	Premium Basis* (per 1000 or unit)	Premises/ Operations	Rate Products/ Completed Operations	Advance Premium Premises/ Operations	Products/ Completed Operations	
*The Premium Basis and Rates are for an annual period while the Advance Premium applies to the entire term of the policy.							
LOC 1 Carpentry - construction of residential property not exceeding three stories in height TERR-001	91340	175,000 Payroll	11.551	7.819	\$2,021.00	\$1,368.00	
Contractors - subcontracted work - In connection with building construction, reconstruction, repair or erection - one or two family dwellings TERR-001	91583	2,500,000 Total Cost	1.340	3.393	\$3,350.00	\$8,483.00	
					Subtotal	\$5,371.00	\$9,851.00
FORMS AND ENDORSEMENTS							
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue: See Schedule of Forms and Endorsements, 079, attached.							

AGENT

Page 1 of 5

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

CL 150 (Ed. 11-85)

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**COMMERCIAL GENERAL LIABILITY
EXTENSION OF DECLARATIONS**

Policy Number CPP 1211477-00

LOCATION OF PREMISES

Location of All Premises You Own, Rent or Occupy:

1 1601 Concord Pike, Suite 27, Wilmington, New Castle Co., DE 19803

PREMIUM

Location/Classification	Code No.	Premium Basis* (per 1000 or unit)	Rate	Advance Premium		
			Premises/ Operations	Products/ Completed Operations	Premises/ Operations	Products/ Completed Operations
*The Premium Basis and Rates are for an annual period while the Advance Premium applies to the entire term of the policy.						
LOC 2 Real Estate Development Property (Including Products and/or Completed Operations. Products-Completed Operations are subject to the General Aggregate Limit.) See Section V, Definitions TERR-001	47051	2 Acres/Acreage	29.452		\$59.00	
Vacant Land - Other than Not-For-Profit (Including Products and/or Completed Operations. Products-Completed Operations are subject to the General Aggregate Limit.) See Section V, Definitions TERR-001	49451	10 Acres/Acreage	2.474		\$25.00	
LOC 1 Employee Benefits TERR-001	9803	Employees	0.131		\$548.00	
Subtotal					\$632.00	

COMMERCIAL GENERAL LIABILITY EXTENSION OF DECLARATIONS

Policy Number CPP 1211477-00

LOCATION OF PREMISES

Location of All Premises You Own, Rent or Occupy:
2 Valley Point, Hockessin, New Castle Co., DE 19707

PREMIUM

Location/Classification	Code No.	Premium Basis* (per 1000 or unit)	Rate		Advance Premium	
			Premises/ Operations	Products/ Completed Operations	Premises/ Operations	Products/ Completed Operations
*The Premium Basis and Rates are for an annual period while the Advance Premium applies to the entire term of the policy.						
LOC 2						
Model Homes (Including Products and/or Completed Operations. Products-Completed Operations are subject to the General Aggregate Limit.) See Section V, Definitions TERR-001	46362	4 Each	264.406		\$1,058.00	
Real Estate Development Property (Including Products and/or Completed Operations. Products-Completed Operations are subject to the General Aggregate Limit.) See Section V, Definitions TERR-001	47051	2 Acres/Acreage	29.452		\$59.00	
Subtotal					\$1,117.00	

**COMMERCIAL GENERAL LIABILITY
EXTENSION OF DECLARATIONS**

Policy Number CPP 1211477-00

LOCATION OF PREMISES

Location of All Premises You Own, Rent or Occupy:

2 Valley Point, Hockessin, New Castle Co., DE 19707

5 Boothurst, New Castle, New Castle Co., DE 19720

PREMIUM

Location/Classification	Code No.	Premium Basis* (per 1000 or unit)	Rate		Advance Premium	
			Premises/ Operations	Products/ Completed Operations	Premises/ Operations	Products/ Completed Operations
*The Premium Basis and Rates are for an annual period while the Advance Premium applies to the entire term of the policy.						
LOC 2						
Vacant Land - Other	49451	10	2.474		\$25.00	
than		Acres/Acreage				
Not-For-Profit						
(Including Products						
and/or Completed						
Operations.						
Products-Completed						
Operations are						
subject to the						
General Aggregate						
Limit.) See Section						
V, Definitions						
TERR-001						
LOC 5						
Real Estate	47051	14	29.452		\$412.00	
Development		Acres/Acreage				
Property						
(Including Products						
and/or Completed						
Operations.						
Products-Completed						
Operations are						
subject to the						
General Aggregate						
Limit.) See Section						
V, Definitions						
TERR-001						
Subtotal					\$437.00	

COMMERCIAL GENERAL LIABILITY EXTENSION OF DECLARATIONS

Policy Number CPP 1211477-00

LOCATION OF PREMISES

Location of All Premises You Own, Rent or Occupy:

6 Chapman Woods, Newark, New Castle Co., DE 19711
10 1442 Bohemia Mill Rd., Middletown, New Castle Co., DE 19709

PREMIUM

Location/Classification	Code No.	Premium Basis* (per 1000 or unit)	Premises/ Operations	Rate	Advance Premium	
				Products/ Completed Operations	Premises/ Operations	Products/ Completed Operations

*The Premium Basis and Rates are for an annual period while the Advance Premium applies to the entire term of the policy.

LOC 6						
Real Estate	47051	7	29.452		\$206.00	
Development		Acres/Acreage				

Property
(Including Products
and/or Completed
Operations.

Products-Completed
Operations are

subject to the
General Aggregate
Limit.) See Section

V, Definitions

TERR-001

LOC 10						
Dwellings -	63010	1	63.875		\$64.00	
one-family		Each				

(lessor's risk
only) (Including
Products and/or
Completed
Operations.

Products-Completed
Operations are

subject to the
General Aggregate
Limit.) See Section

V, Definitions

TERR-001

Subtotal \$270.00

Total \$7,827.00 \$9,851.00

Total Advance Premium \$17,594.00

Potomac Insurance
Company of Illinois

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY ENDORSEMENT FORM

Endorsement
Number 2

POLICY NUMBER CPP 1211477-00	ENDORSEMENT EFFECTIVE* 11/23/1998	COMPANY Potomac Insurance Company of Illinois
NAMED INSURED Wellington Homes, LLC et al See G-5353 1601 Concord Pike Suite 27 New Castle Co. Wilmington, DE 19803		AUTHORIZED REPRESENTATIVE J. A. Montgomery Insurance 427867 1011 Centre Road P.O. Box 470 Wilmington, DE 19899
COVERAGE PARTS AFFECTED Commercial General Liability		
<p>This endorsement is subject to all the agreements, conditions and exclusions of the policy. The policy is amended as indicated below.</p> <p>It is agreed that the policy is amended as follows:</p> <p>Moreland Financial Corp. is added as Additional Insured - see CG 20 18 attached.</p> <p>All other terms and conditions remain the same.</p>		

*Unless otherwise stated effective from 12:01am Standard Time at your mailing address

Date and Place of Issue:
12/16/1998 CAMP HILL

FILED
MAY 03 1999

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Authorized Representative Signature

G-5353 (02-92)

Page 1 of 1

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POLICY NUMBER: CPP 1211477-00

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED—
MORTGAGEE, ASSIGNEE, OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization:

Moreland Financial Corp.

512 Pennsylvania Avenue

Fort Washington, PA 19034

Designation of Premises:

Loc. 5 - Boothhurst, New Castle, DE

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

1. WHO IS AN INSURED (Section II) is amended to include as an insured the person(s) or organization(s) shown in the Schedule but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.
2. This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

Potomac Insurance
Company of Illinois

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY ENDORSEMENT FORM

Endorsement
Number 3

POLICY NUMBER CPP 1211477-00	ENDORSEMENT EFFECTIVE* 10/11/1998	COMPANY Potomac Insurance Company of Illinois																		
NAMED INSURED Wellington Homes, LLC et al See G-5353 1601 Concord Pike Suite 27 New Castle Co. Wilmington, DE 19803		AUTHORIZED REPRESENTATIVE J. A. Montgomery Insurance 427867 1011 Centre Road P.O. Box 470 Wilmington, DE 19899																		
COVERAGE PARTS AFFECTED Commercial General Liability																				
<p>This endorsement is subject to all the agreements, conditions and exclusions of the policy. The policy is amended as indicated below.</p> <p>In consideration of an additional premium of \$72.00, it is agreed that the policy is amended as follows:</p> <p>Loc.#11 - Lots 13-42, Valley Pointe, Hockessin, DE 19707 is added for GL Class 49451 - Vacant Land - other than not for profit as shown below.</p> <table border="1"> <thead> <tr> <th rowspan="2">Terr</th> <th rowspan="2">Code No</th> <th rowspan="2">Premium Basis</th> <th colspan="2">Rate</th> <th colspan="2">Advance Premium</th> </tr> <tr> <th>Premises/ Operations</th> <th>Products Compl/Ops</th> <th>Premises/ Operations</th> <th>Products Compl/Ops</th> </tr> </thead> <tbody> <tr> <td>001</td> <td>49451</td> <td>29 acres</td> <td>2.474</td> <td></td> <td>\$72.00</td> <td></td> </tr> </tbody> </table> <p>P/R 1.00</p>			Terr	Code No	Premium Basis	Rate		Advance Premium		Premises/ Operations	Products Compl/Ops	Premises/ Operations	Products Compl/Ops	001	49451	29 acres	2.474		\$72.00	
Terr	Code No	Premium Basis				Rate		Advance Premium												
			Premises/ Operations	Products Compl/Ops	Premises/ Operations	Products Compl/Ops														
001	49451	29 acres	2.474		\$72.00															

*Unless otherwise stated effective from 12:01am Standard Time at your mailing address

Date and Place of Issue:

08/02/1999 Mt. Laurel

Authorized Representative Signature

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Potomac Insurance
Company of Illinois

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY ENDORSEMENT FORM

Endorsement
Number 4

POLICY NUMBER CPP 1211477-00	ENDORSEMENT EFFECTIVE* 11/25/1998	COMPANY Potomac Insurance Company of Illinois																																			
NAMED INSURED Wellington Homes, LLC et al See G-5353 1601 Concord Pike Suite 27 New Castle Co. Wilmington, DE 19803		AUTHORIZED REPRESENTATIVE J. A. Montgomery Insurance 427867 1011 Centre Road P.O. Box 470 Wilmington, DE 19899																																			
COVERAGE PARTS AFFECTED Commercial Property Commercial General Liability																																					
<p>This endorsement is subject to all the agreements, conditions and exclusions of the policy. The policy is amended as indicated below.</p> <p>In consideration of an additional premium of \$484.00, it is agreed that the policy is amended as follows:</p> <p>Loc.#12 - 8820 Gap-Newport Pike, Avondale, PA 19311 is added for Building Coverage at Bldg.#1 for \$110,000 and Bldg.#2 for \$100,000 on Agreed Value with a \$1000 ded. and for GL Class 63010 - Dwellings - one family (lessor's risk only) as shown below.</p> <table border="1"> <thead> <tr> <th>Terr</th> <th>Code</th> <th>Premium</th> <th>Rate</th> <th>Premises/</th> <th>Products</th> <th>Advance Premium</th> </tr> <tr> <th></th> <th>No</th> <th>Basis</th> <th></th> <th>Operations</th> <th>Compl/Ops</th> <th>Premises/</th> </tr> <tr> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th>Operations</th> </tr> </thead> <tbody> <tr> <td>013</td> <td>63010</td> <td>2</td> <td>55.136</td> <td></td> <td></td> <td>\$110.00</td> </tr> <tr> <td></td> <td></td> <td>each</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Also, Mary & Matthew Carozzo and Valley Point Maintenance Association are added as named insured.</p> <p>P/R .877</p>			Terr	Code	Premium	Rate	Premises/	Products	Advance Premium		No	Basis		Operations	Compl/Ops	Premises/							Operations	013	63010	2	55.136			\$110.00			each				
Terr	Code	Premium	Rate	Premises/	Products	Advance Premium																															
	No	Basis		Operations	Compl/Ops	Premises/																															
						Operations																															
013	63010	2	55.136			\$110.00																															
		each																																			

*Unless otherwise stated effective from 12:01am Standard Time at your mailing address

Date and Place of Issue:

08/02/1999 Mt. Laurel

Authorized Representative Signature

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Potomac Insurance
Company of Illinois

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POLICY ENDORSEMENT FORM

Endorsement
Number 5

POLICY NUMBER CPP 1211477-00	ENDORSEMENT EFFECTIVE* 12/16/1998	COMPANY Potomac Insurance Company of Illinois																				
NAMED INSURED Wellington Homes, LLC et al See G-5353 1601 Concord Pike Suite 27 New Castle Co. Wilmington, DE 19803		AUTHORIZED REPRESENTATIVE J. A. Montgomery Insurance 427867 1011 Centre Road P.O. Box 470 Wilmington, DE 19899																				
COVERAGE PARTS AFFECTED Commercial General Liability																						
<p>This endorsement is subject to all the agreements, conditions and exclusions of the policy. The policy is amended as indicated below.</p> <p>In consideration of an additional premium of \$48.00, it is agreed that the policy is amended as follows:</p> <p>The exposure on Loc.#5 Class 47051 is increased to 16 acres.</p> <table> <thead> <tr> <th>Terr</th> <th>Code</th> <th>Premium</th> <th>Rate</th> <th>Advance Premium</th> </tr> <tr> <th></th> <th>No</th> <th>Basis</th> <th>Premises/ Products</th> <th>Premises/ Products</th> </tr> <tr> <th></th> <th></th> <th></th> <th>Operations Compl/Ops</th> <th>Operations Compl/Ops</th> </tr> </thead> <tbody> <tr> <td>001</td> <td>47051</td> <td>16 acres</td> <td>29.452,</td> <td>\$471.00</td> </tr> </tbody> </table> <p>P/R ,819</p>			Terr	Code	Premium	Rate	Advance Premium		No	Basis	Premises/ Products	Premises/ Products				Operations Compl/Ops	Operations Compl/Ops	001	47051	16 acres	29.452,	\$471.00
Terr	Code	Premium	Rate	Advance Premium																		
	No	Basis	Premises/ Products	Premises/ Products																		
			Operations Compl/Ops	Operations Compl/Ops																		
001	47051	16 acres	29.452,	\$471.00																		

*Unless otherwise stated effective from 12:01am Standard Time at your mailing address

Date and Place of Issue:
08/03/1999 Mt. Laurel

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Potomac Insurance
Company of Illinois

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY ENDORSEMENT FORM

Endorsement
Number 6

POLICY NUMBER CPP 1211477-00	ENDORSEMENT EFFECTIVE* 12/17/1998	COMPANY Potomac Insurance Company of Illinois
NAMED INSURED Wellington Homes, LLC et al See G-5353 1601 Concord Pike Suite 27 New Castle Co. Wilmington, DE 19803		AUTHORIZED REPRESENTATIVE J. A. Montgomery Insurance 427867 1011 Centre Road P.O. Box 470 Wilmington, DE 19899
COVERAGE PARTS AFFECTED Commercial General Liability		
<p>This endorsement is subject to all the agreements, conditions and exclusions of the policy. The policy is amended as indicated below.</p> <p>It is hereby understood and agreed that the policy is amended as follows:</p> <p>Wilmington Mortgage Services Inc. is added as additional insured on Loc.#2 per CG 20 18 (11-85) attached.</p>		

*Unless otherwise stated effective from 12:01am Standard Time at your mailing address

Date and Place of Issue:
08/03/1999 Mt. Laurel

Authorized Representative Signature

G-5353 (02-92)

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Potomac Insurance
Company of Illinois

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY ENDORSEMENT FORM

Endorsement
Number 8

POLICY NUMBER CPP 1211477-00	ENDORSEMENT EFFECTIVE* 03/22/1999	COMPANY Potomac Insurance Company of Illinois															
NAMED INSURED Wellington Homes, LLC et al See G-5353 1601 Concord Pike Suite 27 New Castle Co. Wilmington, DE 19803		AUTHORIZED REPRESENTATIVE J. A. Montgomery Insurance 427867 1011 Centre Road P.O. Box 470 Wilmington, DE 19899															
COVERAGE PARTS AFFECTED Commercial General Liability																	
<p>This endorsement is subject to all the agreements, conditions and exclusions of the policy. The policy is amended as indicated below.</p> <p>In consideration of an additional premium of \$481.00, it is agreed that the policy is amended as follows:</p> <p>Loc.#13 - Boothurst, Lots 1 thru 350, New Castle, DE 19720 is added for GL Class 49451 as shown below:</p> <table border="1"> <thead> <tr> <th>Terr</th> <th>Code</th> <th>Premium</th> <th>Rate</th> <th>Advance Premium</th> </tr> <tr> <th></th> <th>No</th> <th>Basis</th> <th>Premises/ Operations</th> <th>Premises/ Operations</th> </tr> </thead> <tbody> <tr> <td>001</td> <td>49451</td> <td>350 acres</td> <td>2.474</td> <td>\$866.00</td> </tr> </tbody> </table> <p>P/R .556</p>			Terr	Code	Premium	Rate	Advance Premium		No	Basis	Premises/ Operations	Premises/ Operations	001	49451	350 acres	2.474	\$866.00
Terr	Code	Premium	Rate	Advance Premium													
	No	Basis	Premises/ Operations	Premises/ Operations													
001	49451	350 acres	2.474	\$866.00													

*Unless otherwise stated effective from 12:01am Standard Time at your mailing address

Date and Place of Issue:

08/03/1999 Mt. Laurel

Authorized Representative Signature

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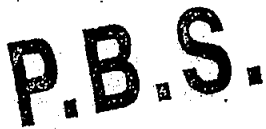
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Potomac Insurance
Company of Illinois

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY ENDORSEMENT FORM

Endorsement
Number 9

POLICY NUMBER CPP 1211477-00	ENDORSEMENT EFFECTIVE* 04/05/1999	COMPANY Potomac Insurance Company of Illinois																		
NAMED INSURED Wellington Homes, LLC et al See G-5353 1601 Concord Pike Suite 27 New Castle Co. Wilmington, DE 19803		AUTHORIZED REPRESENTATIVE J. A. Montgomery Insurance 427867 1011 Centre Road P.O. Box 470 Wilmington, DE 19899																		
COVERAGE PARTS AFFECTED Commercial General Liability																				
																				
<p>This endorsement is subject to all the agreements, conditions and exclusions of the policy. The policy is amended as indicated below.</p> <p>In consideration of an additional premium of \$19.00, it is agreed that the policy is amended as follows:</p> <p>Loc.#14 - Llangollen, Lots 64-66, 70-75, 80-86, 89-120, 140-159, New Castle, DE 19720 is added for GL Class 49451 as shown below and 1st Main Line Bank is added as additional insured per CG 20 18 attached.</p> <table border="1"> <thead> <tr> <th rowspan="2">Terr</th> <th rowspan="2">Code No</th> <th rowspan="2">Premium Basis</th> <th colspan="2">Rate</th> <th colspan="2">Advance Premium</th> </tr> <tr> <th>Premises/ Operations</th> <th>Products Compl/Ops</th> <th>Premises/ Operations</th> <th>Products Compl/Ops</th> </tr> </thead> <tbody> <tr> <td>001</td> <td>49451</td> <td>15 acres</td> <td>2.474</td> <td></td> <td>\$37.00</td> <td></td> </tr> </tbody> </table> <p>Also, Llangollen Properties Inc. is added as named insured.</p> <p>P/R .518</p>			Terr	Code No	Premium Basis	Rate		Advance Premium		Premises/ Operations	Products Compl/Ops	Premises/ Operations	Products Compl/Ops	001	49451	15 acres	2.474		\$37.00	
Terr	Code No	Premium Basis				Rate		Advance Premium												
			Premises/ Operations	Products Compl/Ops	Premises/ Operations	Products Compl/Ops														
001	49451	15 acres	2.474		\$37.00															

*Unless otherwise stated effective from 12:01am Standard Time at your mailing address

Date and Place of Issue:

08/03/1999 Mt. Laurel

Authorized Representative Signature

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Potomac Insurance
Company of Illinois

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY ENDORSEMENT FORM

Endorsement
Number 11

POLICY NUMBER CPP 1211477-00	ENDORSEMENT EFFECTIVE* 05/12/1999	COMPANY Potomac Insurance Company of Illinois																		
NAMED INSURED Wellington Homes, LLC et al See G-5353 1601 Concord Pike Suite 27 New Castle Co. Wilmington, DE 19803		AUTHORIZED REPRESENTATIVE J. A. Montgomery Insurance 427867 1011 Centre Road P.O. Box 470 Wilmington, DE 19899																		
COVERAGE PARTS AFFECTED Commercial Property Commercial General Liability <div style="text-align: right; font-size: 2em; font-weight: bold; margin-top: 20px;">P.B.S.</div>																				
<p>This endorsement is subject to all the agreements, conditions and exclusions of the policy. The policy is amended as indicated below.</p> <p>In consideration of an additional premium of \$7,318.00, it is agreed that the policy is amended as follows:</p> <p>Loc.#15 - Route 40 & 7, Glendale Plaza, Bear, DE 19701 is added for \$5,800,000 Building Coverage, \$1,000,000 Rental Value on 80% Coins. with a \$500 ded. and for GL Class 61217 - Buildings or Premises - bank or office - mercantile or manufacturing - maintained by the insured (lessor's risk only) - other than Not-for-Profit as shown below. Also Artisans Bank, P.O. Box 908, Wilmington, DE 19899 is added as mortgagee for this location.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Terr</th> <th rowspan="2">Code No</th> <th rowspan="2">Premium Basis</th> <th colspan="2">Rate</th> <th colspan="2">Advance Premium</th> </tr> <tr> <th>Premises/ Operations</th> <th>Products Compl/Ops</th> <th>Premises/ Operations</th> <th>Products Compl/Ops</th> </tr> </thead> <tbody> <tr> <td>001</td> <td>61217</td> <td>9667 area</td> <td>49.332</td> <td></td> <td>\$477.00</td> <td></td> </tr> </tbody> </table> <p>P/R .416</p>			Terr	Code No	Premium Basis	Rate		Advance Premium		Premises/ Operations	Products Compl/Ops	Premises/ Operations	Products Compl/Ops	001	61217	9667 area	49.332		\$477.00	
Terr	Code No	Premium Basis				Rate		Advance Premium												
			Premises/ Operations	Products Compl/Ops	Premises/ Operations	Products Compl/Ops														
001	61217	9667 area	49.332		\$477.00															

*Unless otherwise stated effective from 12:01am Standard Time at your mailing address

Date and Place of Issue:

08/09/1999 Mt. Laurel

Authorized Representative Signature

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POLICY ENDORSEMENT FORM

Endorsement
Number 12

POLICY NUMBER CPP 1211477-00	ENDORSEMENT EFFECTIVE* 06/08/1999	COMPANY Potomac Insurance Company of Illinois
NAMED INSURED Wellington Homes, LLC et al See G-5353 1601 Concord Pike Suite 27 New Castle Co. Wilmington, DE 19803		AUTHORIZED REPRESENTATIVE J. A. Montgomery Insurance 427867 1011 Centre Road P.O. Box 470 Wilmington, DE 19899
COVERAGE PARTS AFFECTED Not Applicable		
<p>This endorsement is subject to all the agreements, conditions and exclusions of the policy. The policy is amended as indicated below.</p> <p>It is hereby understood and agreed that the policy is amended as follows:</p> <p>Boothhurst Ventures LTD is added as named insured.</p>		

*Unless otherwise stated effective from 12:01am Standard Time at your mailing address

Date and Place of Issue:
08/09/1999 Mt. Laurel

Authorized Representative Signature

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